

STATEMENT OF SENATOR KIT BOND
Committee Markup of the Fiscal Year 2010
Transportation, Housing and Urban Development, and Related Agencies Appropriations
July 30, 2009

I thank the Chair Senator Murray and both our staff for their hard work and commitment to this legislation, especially since we have had a good bipartisan relationship. While not perfect, overall this is a good bill and I will join my Chair in supporting it.

This legislation has a number of important programs which in today's economy are critical to families overwhelmed by our nation's financial challenges.

I am especially pleased with the HUD Housing and Community Development programs such as Section 8, Public Housing, CDBG, Home, Homeless, Housing for Seniors, Housing for Persons with Disabilities and the Lead Hazard Reduction Program among others.

As I noted yesterday, one of my biggest concerns remain the solvency of the Highway Trust Fund. This is problem that must be addressed. Good roads and bridges are critical to attracting and sustaining business, job creation, and economic growth in our communities. We cannot afford an interruption in providing these much needed funds to states. Transportation infrastructure creates jobs, makes a long-term investment in our communities and is key component in our economic recovery.

I am also concerned with the rapid growth of the FHA Single Family Mortgage Insurance Program. FHA's share of the market has grown from some 2 percent in 2006 to nearly 24 percent at the end of 2008. This year the freeze in the mortgage markets has driven FHA's market share to 63 percent. As I have said many times before, due to long-standing management and resource challenges and a substantial growth in risky lending due to political pressures, FHA is a powder keg.

Unfortunately, as a result of rising mortgage fraud, deteriorating economic conditions, and increasing demands FHA could explode into another taxpayer-funded bailout. It's critical we address FHA's problems now because Americans have been signaling that the taxpayer credit card is maxed out.

I am pleased that the bill includes \$20 million for FHA Anti-Fraud activities as well as \$6 million in additional funding for the HUD IG to combat predatory lending. The legislation also provides funding for HUD to start modernizing the FHA Information Technology Systems in order to track effectively its mortgage and associated obligations.

I also am hopeful that HUD and the IG will be able to work together and leverage these funds to eliminate mortgage fraud and predatory lending. And, while it may take more resources to

achieve this goal, it is time to eliminate predatory lending and mortgage fraud. It can and it must be done.

Again, I thank my Chair for her hard work and look forward to moving this bill to the floor.